



Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
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Water Route Grain Transportation Costs to Mexico Down; Land Route Costs Up Slightly. First quarter 2005 grain transportation costs for water routes were down from 4th quarter 2004 due to decreased barge, ocean, and truck transportation costs. Corn and soybean transportation costs by water routes from Illinois to Guadalajara, Mexico, decreased 5 percent, while transportation costs for Kansas wheat fell almost 7 percent (see table). Higher rail rates resulted in slightly higher land route grain transportation costs to Guadalajara (see table). Corn and soybean transportation costs increased about 1 percent, while those for

wheat increased just over 5 percent compared with 4th quarter 2004.

Ocean and barge transportation rates for grain decreased nearly 10 percent for the 1st quarter 2005 water routes (see table). Ocean rates decreased because of weaker dry bulk shipping demand during the first quarter combined with increased dry bulk shipping capacity. Barge rates fell mainly due to normal seasonal fluctuations.

Corn and soybean truck transportation costs fell nearly 4 percent for both the water and land routes (see table). Truck transportation costs for wheat, however, fell just over 13 percent for the water routes, but rose just over 10 percent for the land routes. Seasonally weaker first quarter truck transportation demand compared to that during the fourth quarter harvest season was the major factor pushing truck rates down in the North

Quarterly costs of transporting U.S. corn to Guadalajara, Mexico						
	Water route			Land route		
	\$/metric ton					
	2005 1st qtr.	2004 4th qtr.	Percent change	2005 1st qtr.	2004 4th qtr.	Percent change
Corn						
Origin	IL			IA/NE		
Truck	7.58	7.89	-3.9%	2.66	2.76	-3.6%
Rail ¹	27.06	27.06	0.0%	54.63	53.88	1.4%
Ocean	12.52	13.84	-9.5%			
Barge	14.97	16.62	-9.9%			
Total transportation	62.13	65.41	-5.0%	57.29	56.64	1.1%
Farm Value	74.55	71.33	4.5%	70.87	69.28	2.3%
Landed Cost	136.68	136.74	0.0%	128.16	125.92	1.8%
Transport % of landed cost	45%	48%		45%	45%	
Soybeans						
Origin	IL			MN/NE		
Truck	7.58	7.89	-3.9%	2.66	2.76	-3.6%
Rail ¹	27.06	27.06	0.0%	54.00	53.49	1.0%
Ocean	12.52	13.84	-9.5%			
Barge	14.97	16.62	-9.9%			
Total	62.13	65.41	-5.0%	56.66	56.25	0.7%
Farm Value	205.65	190.54	7.9%	198.66	185.02	7.4%
Landed Cost	267.78	255.95	4.6%	255.32	241.27	5.8%
Transport % of landed cost	23%	26%		22%	23%	
Wheat						
Origin	KS			OK		
Truck	16.09	18.51	-13.1%	3.35	3.04	10.2%
Rail ¹	27.06	27.06	0.0%	45.82	43.70	4.9%
Ocean	12.52	13.84	-9.5%			
Barge	11.49	12.62	-9.0%			
Total	67.16	72.03	-6.8%	49.17	46.74	5.2%
Farm Value	125.92	124.70	1.0%	118.98	118.81	0.1%
Landed Cost	193.08	196.73	-1.9%	168.15	165.55	1.6%
Transport % of landed cost	35%	37%		29%	28%	

¹ Rail rates include U.S. and Mexico portions of the movement. Mexico rail rates are revised based on actual quoted market rates. Mexico rail rates reported in the March, 10, 2005, Grain Transportation Report were based on published government maximum allowable tariffs. BNSF and Union Pacific quoted rail tariff rates are through rates for shuttle trains.

Central region. Stronger trucking demand in the South Central region may explain the truck cost increase for wheat originating in Oklahoma. Marvin.Prater@USDA.gov, Surajudeen.Olowolayemo@USDA.gov

Increased Rail Network Integration Escalates Cross-Border Rail Grain Deliveries. Increased rail network integration has resulted in a 74 percent increase in year-to-date (through July 6, 2005) cross-border rail deliveries of U.S. grain to Mexico over the same period in 2004 (see table 3 inside). Mexican and Canadian railroads are becoming increasingly integrated with the U.S. rail network due to increased NAFTA trade. Kansas City Southern Railway's recent acquisition of controlling interest in Transportación Ferroviaria Mexicana (TFM) is expected to accelerate this rail network integration. Although TFM will be managed separately by Mexican citizens, common leadership of these two railroads is expected to result in a seamless transportation corridor. Marvin.Prater@USDA.gov

Grain Transportation Indicators

Table 1--Grain transport cost indicators*

Week ending	Truck	Rail	Barge	Ocean
07/13/05	162	231	143	Gulf 177 Pacific 153
Compared with last week	↑	↑	↑	↓

*Indicator: Base year 2000 = 100; Weekly updates include truck = diesel (\$/gallon); rail = nearby secondary rail market (\$/car);

barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan (\$/metric ton)

Source: Transportation & Marketing Programs/AMS/USDA

Table 2--Market update: U.S. origins to export position price spreads (\$/bushel)

Commodity	Origin--destination	7/8/2005	6/30/2005
Corn	IL--Gulf	-0.50	-0.49
Corn	NE--Gulf	-0.69	-0.63
Soybean	IA--Gulf	-0.60	-0.58
HRW	KS--Gulf	-0.62	-0.65
HRS	ND--Portland	-1.45	-1.46

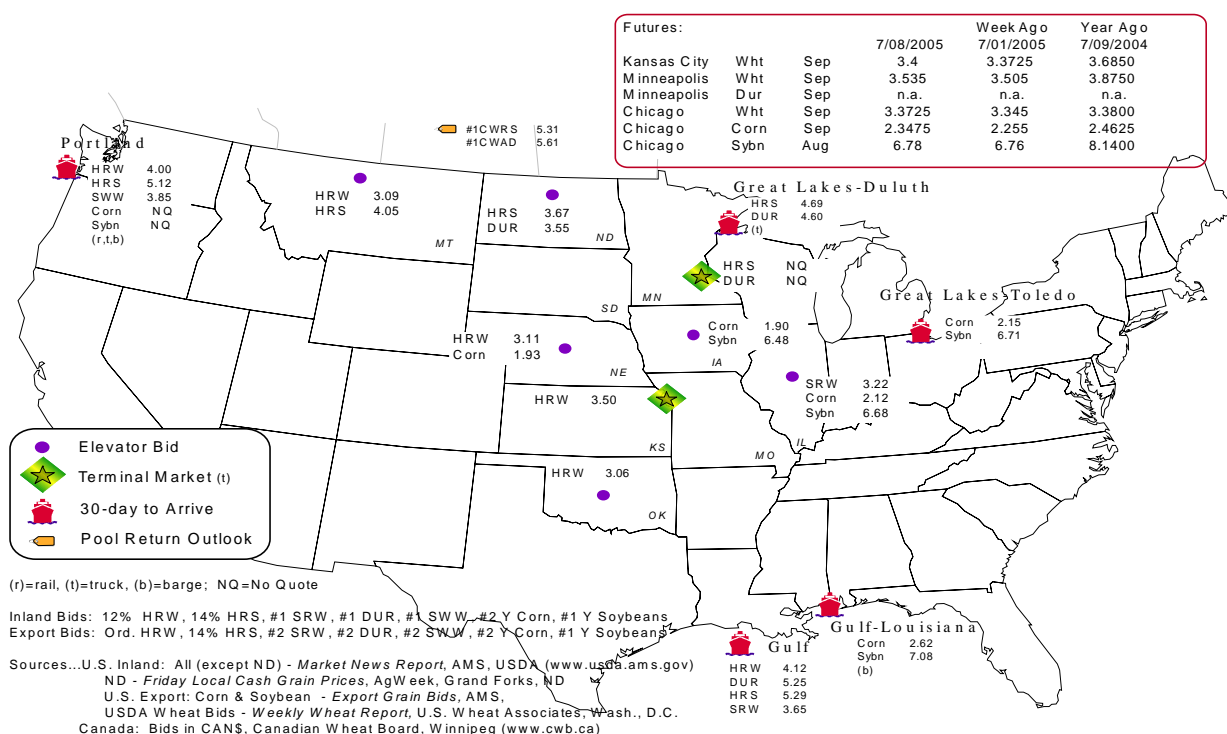
Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1

Grain bid summary



Rail Transportation

Table 3--Rail deliveries to port (carloads)*

Week ending	Mississippi Gulf	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
7/06/2005 ^p	164	1,467	1,889	3,175	85	6,780
06/29/2005 ^r	245	1,802	1,639	4,433	81	8,200
2005 YTD	6,493	44,002	45,345	117,731	7,523	221,094
2004 YTD	4,565	59,287	26,041	112,249	4,253	206,395
2005 as % of 2004	142	74	174	105	177	107
Total 2004	10,475	92,073	67,992	209,625	10,986	391,151
Total 2003**	14,843	88,194	48,805	157,125	20,509	329,476

(*) Incomplete Data; as of 9/22/04, Cross-Border movements included; (**) Excludes 53rd week; YTD = year-to-date; p = preliminary data;

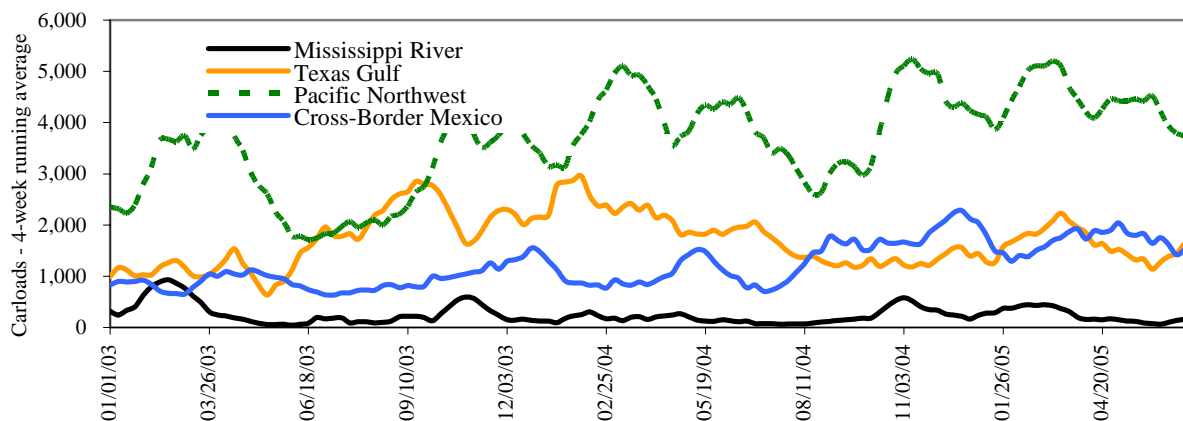
r = revised data

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 40 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

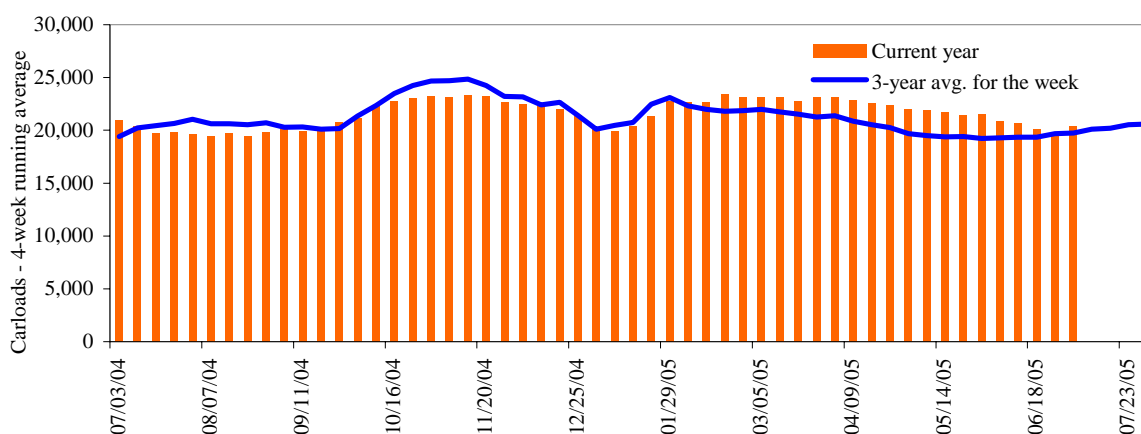
Rail deliveries to port



Source: Transportation & Marketing Programs/AMS/USDA

Figure 3

Total weekly U.S. grain car loadings for Class I railroads



Source: Association of American Railroads

Table 4--Class I rail carrier grain car bulletin (grain carloads originated)

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
07/02/05	3,098	3,247	9,295	287	5,334	21,261	3,530	3,786
This week last year	2,465	2,781	7,703	395	6,512	19,856	4,576	3,880
2005 YTD	78,005	86,832	237,934	15,529	154,896	573,196	108,504	103,268
2004 YTD	75,280	84,676	231,558	12,775	172,492	576,781	122,078	98,654
2005 as % of 2004	104	103	103	122	90	99	89	105
Total 2004	142,206	169,650	458,587	27,618	327,510	1,125,571	237,664	210,060

Source: Association of American Railroads (www.aar.org); YTD = year-to-date

Table 5--Rail car auction offerings, week ending 7/09/05 (\$/car)*

Delivery for:	Aug. 05	Sep. 05	Oct. 05
BNSF ¹			
COT/N. grain	no offer	no offer	no offer
COT/S. grain	no offer	no offer	no offer
UP ²			
GCAS/Region 1	no bid	no bid	no offer
GCAS/Region 2	\$7	\$53	no offer

*Average premium/discount to tariff, last auction

¹BNSF - COT = Certificate of Transportation

N includes: ID, MN, MT, ND, OR, SD, WA, WI, WY, and Manitoba, Canada.

S includes: CO, IA, IL, KS, MO, NE, OK, TX, NM, AZ, CA, UT, and NV.

²UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

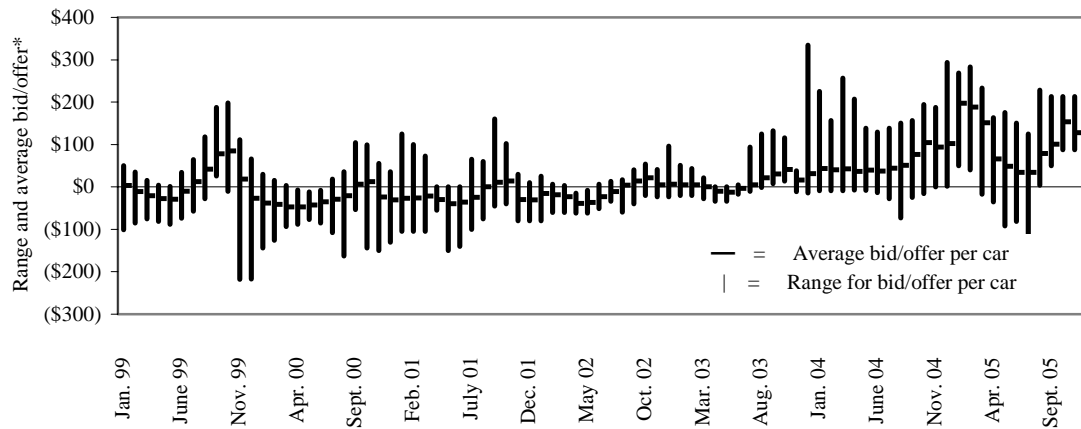
Source: Transportation & Marketing Programs/AMS/USDA

Rail service may be ordered directly from the railroad via **auction** for guaranteed service or tariff for nonguaranteed service or through the secondary market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Secondary rail car market, delivery month-year



*up to 6 months of trading

Source: Transportation & Marketing Programs/AMS/USDA

Average bid/offer is the simple average of all the weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Range for bid/offer shows the range of average weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Table 6--Weekly secondary rail car market, week ending 7/09/05 (\$/car)*

	Delivery period			
	Aug-05	Sep-05	Oct-05	Nov-05
BNSF-GF	\$228	\$213	\$213	\$213
Change from last week	\$30	\$13	\$13	\$71
UP-Pool	\$44	\$115	\$200	n/a
Change from last week	-\$3	\$2	\$0	n/a

*Average premium/discount to tariff, \$/car-last week

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,

Missing value = no bid quoted; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7--Tariff rail rates for unit and shuttle train shipments*

Effective date:					
7/5/2005					
	Origin region	Destination region	Rate/car	Rate/metric ton	Rate/bushel**
<u>Unit train*</u>					
Wheat	Chicago, IL	Albany, NY	\$1,861	\$20.51	\$0.56
	Kansas City, MO	Galveston, TX	\$2,020	\$22.27	\$0.61
	South Central, KS	Galveston, TX	\$2,450	\$27.01	\$0.74
	Minneapolis, MN	Houston, TX	\$2,420	\$26.68	\$0.73
	St. Louis, MO	Houston, TX	\$2,245	\$24.75	\$0.67
	South Central, ND	Houston, TX	\$3,684	\$40.61	\$1.11
	Minneapolis, MN	Portland, OR	\$4,198	\$46.27	\$1.26
	South Central, ND	Portland, OR	\$4,198	\$46.27	\$1.26
	Northwest, KS	Portland, OR	\$4,381	\$48.29	\$1.31
	Chicago, IL	Richmond, VA	\$2,002	\$22.07	\$0.60
Corn	Chicago, IL	Baton Rouge, LA	\$2,510	\$27.67	\$0.70
	Council Bluffs, IA	Baton Rouge, LA	\$2,370	\$26.12	\$0.66
	Kansas City, MO	Dalhart, TX	\$1,965	\$21.66	\$0.55
	Minneapolis, MN	Portland, OR	\$3,600	\$39.68	\$1.01
	Evansville, IN	Raleigh, NC	\$1,791	\$19.74	\$0.50
	Columbus, OH	Raleigh, NC	\$1,700	\$18.74	\$0.48
	Council Bluffs, IA	Stockton, CA	\$3,606	\$39.75	\$1.01
Soybeans	Chicago, IL	Baton Rouge, LA	\$2,455	\$27.06	\$0.74
	Council Bluffs, IA	Baton Rouge, LA	\$2,315	\$25.52	\$0.69
	Minneapolis, MN	Portland, OR	\$3,610	\$39.79	\$1.08
	Evansville, IN	Raleigh, NC	\$1,791	\$19.74	\$0.54
	Chicago, IL	Raleigh, NC	\$2,391	\$26.36	\$0.72
<u>Shuttle Train*</u>					
Wheat	St. Louis, MO	Houston, TX	\$1,895	\$20.89	\$0.57
	Minneapolis, MN	Portland, OR	\$3,898	\$42.97	\$1.17
Corn	Fremont, NE	Houston, TX	\$2,665	\$29.38	\$0.75
	Minneapolis, MN	Portland, OR	\$3,450	\$38.03	\$0.97
Soybeans	Council Bluffs, IA	Houston, TX	\$2,785	\$30.70	\$0.84
	Minneapolis, MN	Portland, OR	\$3,410	\$37.59	\$1.02

*A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

**Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8--Tariff rail rates for U.S. bulk grain shipments to the U.S.-Mexico border

Effective date:						
7/5/2005	Origin state	Border crossing region	Train size	Rate/car ¹	Rate/metric ton	Rate/bushel**
Wheat	KS	Brownsville, TX	Shuttle	\$2,851	\$29.13	\$0.79
	ND	Eagle Pass, TX	Shuttle	\$5,399	\$55.17	\$1.50
	OK	El Paso, TX	Shuttle	\$2,264	\$23.13	\$0.63
	OK	El Paso, TX	Unit	\$2,432	\$24.85	\$0.68
	AR	Laredo, TX	Unit	\$2,383	\$24.35	\$0.66
	IL	Laredo, TX	Unit	\$3,188	\$32.57	\$0.89
	MT	Laredo, TX	Shuttle	\$4,298*	\$43.92	\$1.19
	TX	Laredo, TX	Shuttle	\$2,165	\$22.12	\$0.60
	MO	Laredo, TX	Shuttle	\$2,731	\$27.90	\$0.76
	WI	Laredo, TX	Unit	\$3,405	\$34.79	\$0.95
Corn	NE	Brownsville, TX	Shuttle	\$3,104	\$31.72	\$0.80
	NE	Brownsville, TX	Unit	\$3,645*	\$37.24	\$0.95
	IA	Eagle Pass, TX	Unit	\$3,334	\$34.07	\$0.86
	MO	Eagle Pass, TX	Shuttle	\$3,040*	\$31.06	\$0.79
	NE	Eagle Pass, TX	Shuttle	\$3,440*	\$35.15	\$0.89
	IA	Laredo, TX	Shuttle	\$3,258	\$33.29	\$0.84
Soybean	IA	Brownsville, TX	Shuttle	\$2,880	\$29.43	\$0.80
	MN	Brownsville, TX	Shuttle	\$3,176	\$32.45	\$0.88
	NE	Brownsville, TX	Shuttle	\$2,688	\$27.47	\$0.75
	NE	Eagle Pass, TX	Shuttle	\$2,765	\$28.25	\$0.77
	IA	Laredo, TX	Unit	\$2,918	\$29.82	\$0.81

A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

¹Rates are based upon published tariff rates for high-capacity rail cars.

*High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

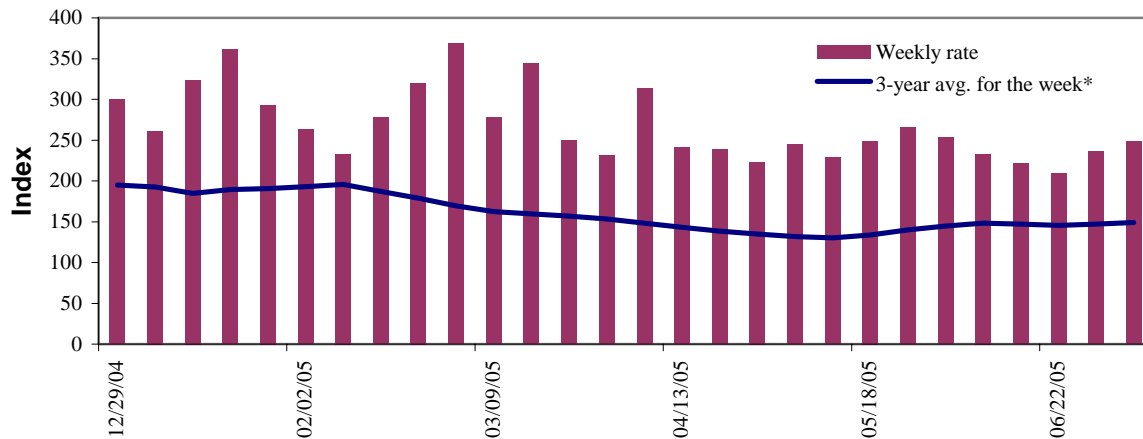
**Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Sources: www.bnsf.com, www.uprr.com

Barge Transportation

Figure 5

Illinois River barge rate index - quotes



Note: Index = percent of tariff rate; *4-week moving average

Source: Transportation & Marketing Programs/AMS/USDA

The **Illinois River barge rate index** averaged 183 percent of the **benchmark tariff rates** between 1999 and 2001, based on weekly market quotes. The **index**, along with **rate quotes** and **futures market bids** are indicators of grain transport supply and demand.

Table 9--Barge rate quotes: southbound barge freight

Location	7/6/2005	6/29/2005	Aug. '05	Oct. '05
Twin Cities	294	291	311	370
Mid-Mississippi	257	244	286	358
Illinois River	248	236	276	351
St. Louis	182	172	248	329
Lower Ohio	192	182	251	350
Cairo-Memphis	166	161	237	323

Index = percent of tariff, based on 1976 tariff benchmark rate

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:

(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 6).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8).

Figure 6

Benchmark tariff rates

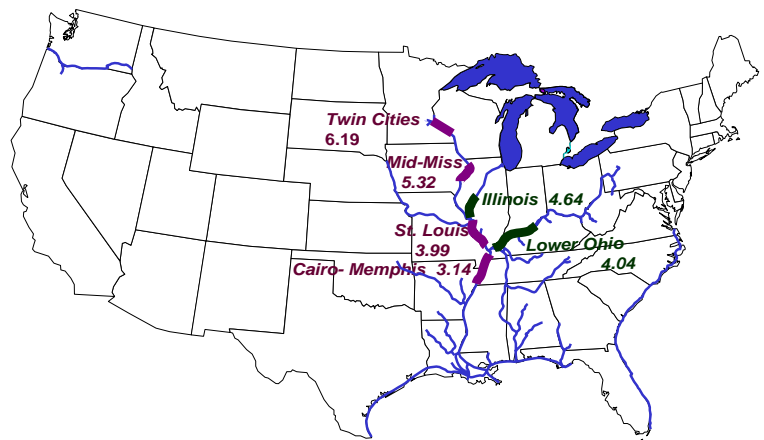
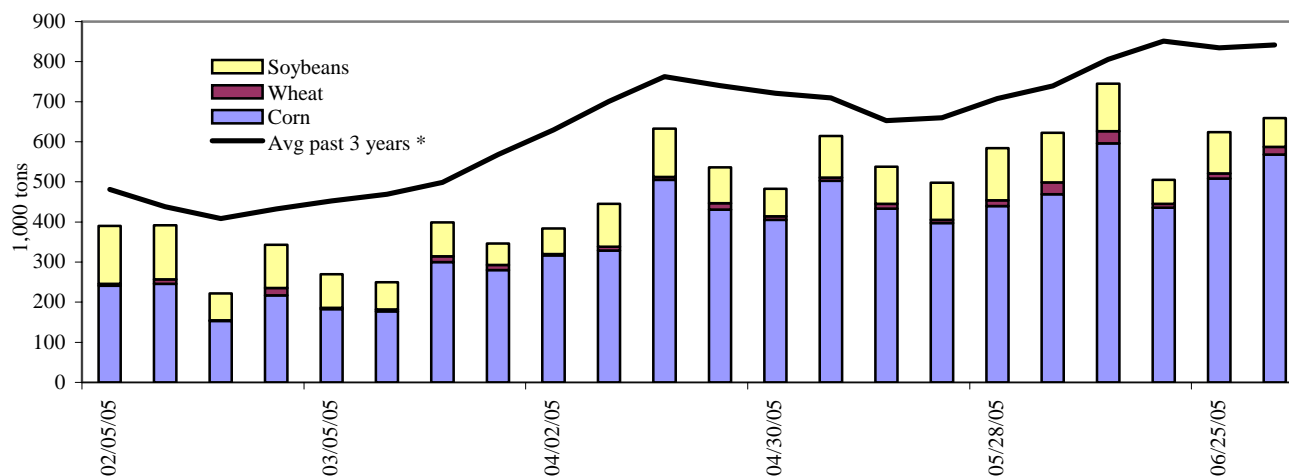


Figure 7

Barge movements on the Mississippi River (Locks 27 - Granite City, IL)

* 4-week moving average

Source: Transportation & Marketing Programs/AMS/USDA

Table 10--Barge grain movements (1,000 tons)

Week ending 7/2/2005	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	268	11	17	12	307
Winfield, MO (L25)	429	14	48	9	499
Alton, IL (L26)	574	20	73	24	692
Granite City, IL (L27)	568	19	72	23	682
Illinois River (L8)	98	3	155	14	270
Ohio River (L52)	21	13	11	0	44
Arkansas River (L1)	0	18	7	1	27
2005 YTD	11,298	828	3,867	366	16,359
2004 YTD	13,007	1,303	2,476	369	17,155
2005 as % of 2004 YTD	87	64	156	99	95
Total 2004	26,235	2,701	6,784	843	36,563

YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1.

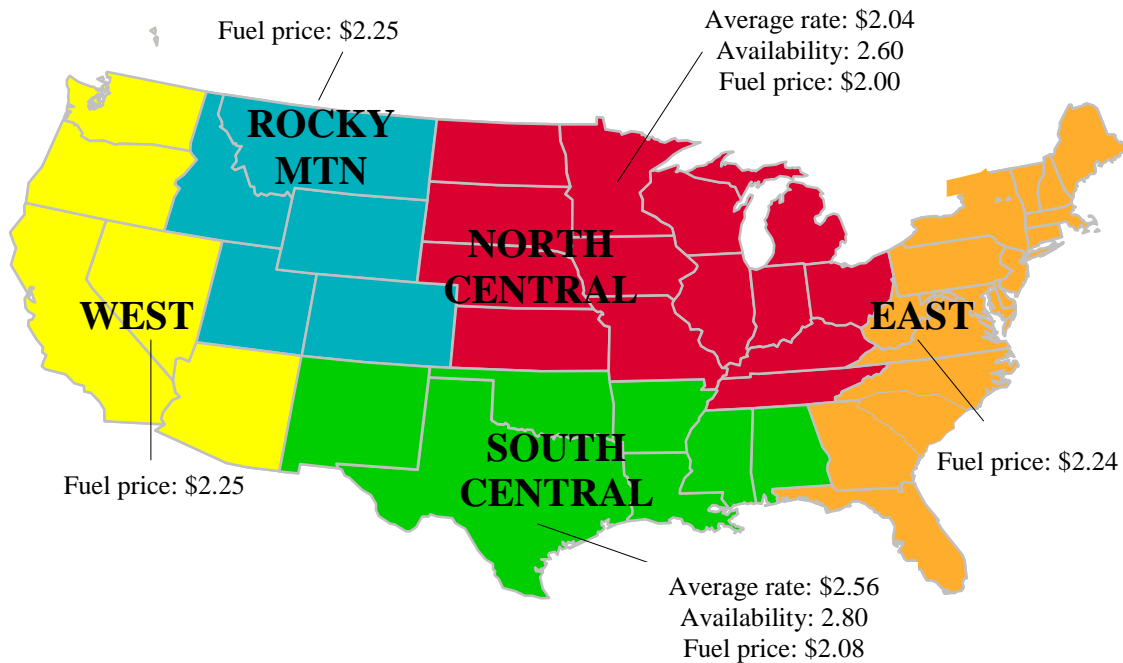
"Other" refers to oats, barley, sorghum, and rye.

Source: U.S. Army Corp of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webprts/default.asp)

Note: Total may not add exactly, due to rounding

Truck Transportation

Figure 8
U.S. grain truck market advisory, 1st quarter 2005*



*Average rate per loaded mile, based on truck rates for trips of 25, 100, and 200 miles

Note: Fuel prices are a quarterly average (unit per gallon)

Fuel price data source: Energy Information Administration, U.S. Department of Energy, www.eia.doe.gov

Table 11--U.S. grain truck market overview, 1st quarter 2005

Region/commodity*	25 miles	100 miles	200 miles	Truck availability	Truck activity	Future truck activity
	Rate per mile			Rating compared to same quarter last year		
				1=Very easy to 5=Very difficult	1=Much lower to 5=Much higher	
National average¹	2.91	1.96	1.73	2.6	2.6	2.9
North Central region²	2.65	1.89	1.59	2.6	2.8	3.1
Corn	3.25	2.37	2.01	2.9	2.4	3.1
Wheat	1.52	1.44	1.39	2.6	2.9	2.9
Soybean	3.25	2.37	2.01	2.7	2.7	3.2
South Central region²	3.34	2.25	2.08	2.8	2.1	2.4
Corn	3.02	2.19	1.98	2.8	2.0	2.0
Wheat	3.13	2.18	2.08	3.0	2.3	2.7
Soybean	4.71	2.32	2.06	2.3	2.0	2.3

Rates are based on trucks with 80,000 lb weight limit

*Commodity averages based on truck rates for top producing states based on National Agricultural Statistics Service/USDA

¹National average includes: AR, CO, IA, IL, IN, KS, LA, MN, MS, ND, NE, OH, OK, OR, SD, TX, and WA.

²Commodity rates per mile include the average of the top 3 producing states within the region.

Source: Transportation and Marketing Programs/AMS/USDA

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 12--Retail on-highway diesel prices*, week ending 07/11/05 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.427	0.057	0.709
	New England	2.533	0.048	0.721
	Central Atlantic	2.524	0.049	0.714
	Lower Atlantic	2.377	0.062	0.707
II	Midwest	2.384	0.056	0.690
III	Gulf Coast	2.355	0.065	0.684
IV	Rocky Mountain	2.408	0.080	0.614
V	West Coast	2.526	0.059	0.486
	California	2.589	0.035	0.476
Total	U.S.	2.408	0.060	0.668

*Diesel fuel prices include all taxes.

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Grain Exports

Table 13--U.S. export balances (1,000 metric tons)

Week ending 1/	Wheat						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
6/30/2005	1,963	335	1,249	443	129	4,119	5,977	1,334	11,430
This week year ago	1,691	1,573	1,571	894	136	5,866	7,158	729	13,753
Cumulative exports-crop year 2/									
2004/05 YTD	641	164	660	175	55	1,694	38,129	28,652	68,475
2003/04 YTD	995	189	603	284	70	2,141	40,188	23,513	65,842
2004/05 as % of 2003/04	64	87	109	62	79	79	95	122	104
2003/04 Total	12,697	3,785	6,928	4,889	1,053	29,353	47,704	24,102	101,159
2002/03 Total	6,896	2,899	6,645	3,517	720	20,677	39,646	28,908	89,231

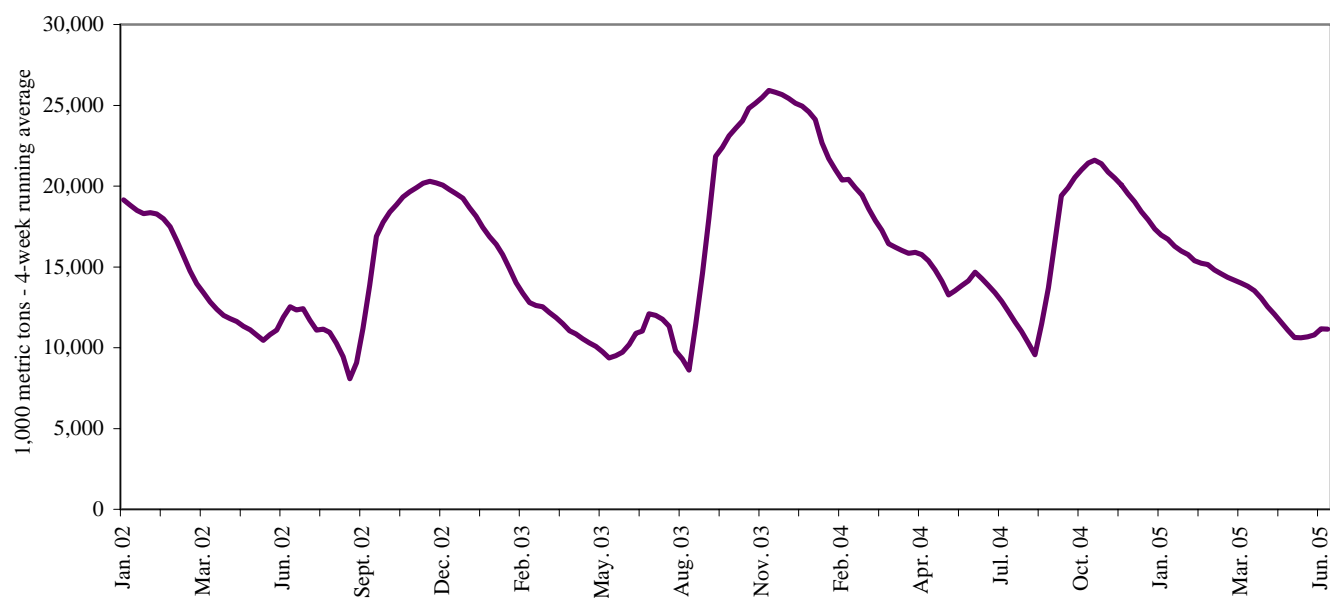
Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31, 1/ = Current outstanding unshipped export sales to date

2/ = New crop year in effect for wheat

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Figure 9

U.S. grain, unshipped export balance, including wheat, corn, and soybean sales



Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

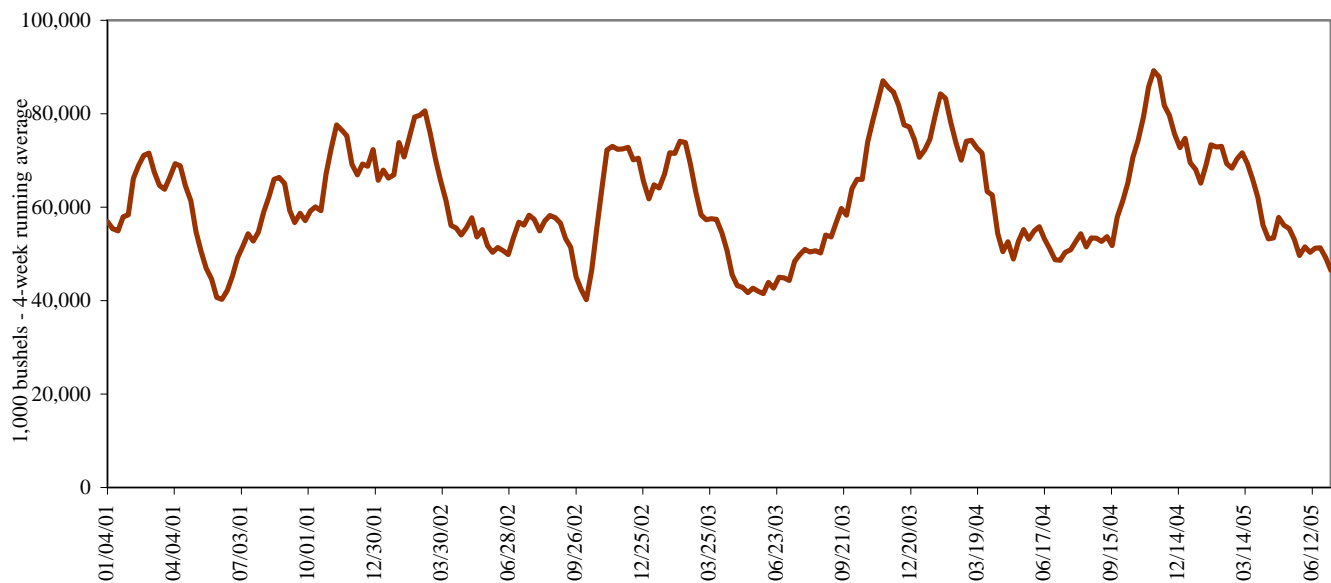
Table 14--Select U.S. port regions - grain inspections for export (1,000 metric tons)

Week ending	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region total		
	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Pacific	Mississippi	Texas
07/07/05	141	121	67	37	347	79	118	0	0	330	463	118
2005 YTD	5,151	5,127	3,366	2,685	14,059	8,186	3,066	284	6	13,644	24,930	3,356
2004 YTD	5,976	5,803	1,872	3,635	16,328	6,055	4,899	51	14	13,651	26,018	4,965
2005 as % of 2004	86	88	180	74	86	135	63	553	43	100	96	68
2004 Total *	12,121	9,741	4,753	7,154	32,851	15,540	7,936	131	23	26,615	55,546	8,089

Source: Federal Grain Inspection Service/USDA (www.usda.gov/gipsa); YTD: year-to-date; * includes 53rd week

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 55 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2004.

Figure 10

U.S. grain inspected for export (wheat, corn, and soybeans)

Source: Federal Grain Inspection Service/USDA (www.usda.gov/gipsa)

Ocean Transportation

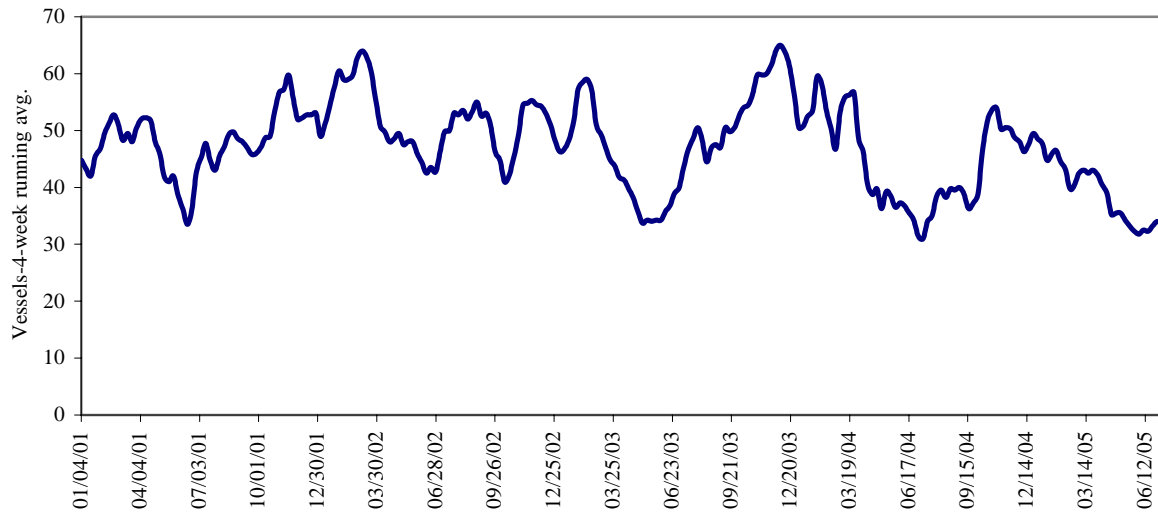
Table 15--Weekly port region grain ocean vessel activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
7/7/2005	21	30	51	10	9
6/30/2005	18	33	45	7	3
2004 range	(10..43)	(25..73)	(38..96)	(4..16)	(0..18)
2004 avg.	24	45	61	9	6

Source: Transportation & Marketing Programs/AMS/USDA

Figure 11

Gulf Port grain vessel loading (past 7 days)



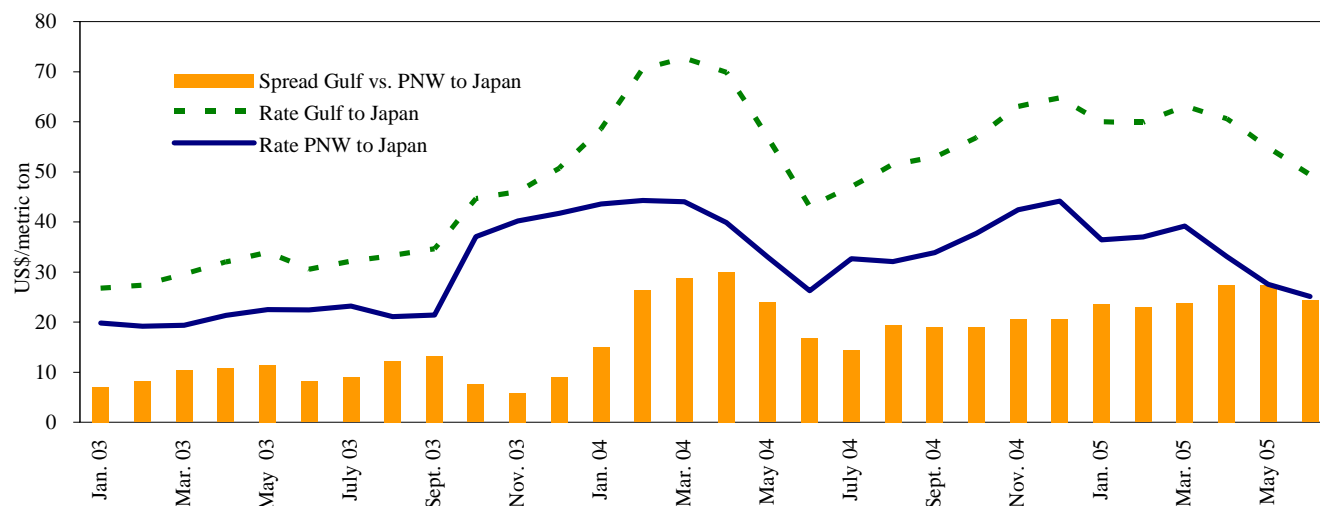
Source: Transportation & Marketing Programs/AMS/USDA

Table 16--Quarterly ocean freight rates (average rates & percentage changes) (US\$/metric ton)

Countries/ regions	2005 2nd qtr	2004 2nd qtr	Percent change	Countries/ regions	2005 2nd qtr	2004 2nd qtr	Percent change
Gulf to				Pacific NW to			
Japan		\$37.00		Japan	---	---	---
Taiwan	---	---	---	Argentina/Brazil to			
N. Africa	\$44.83	\$35.33	27	N. Africa	---	\$63.58	---
Med. Sea	---	---	---	Turkey	\$49.00	\$42.00	17

Source: Maritime Research, Inc. (www.maritime-research.com)

Figure 12

Grain vessel rates, U.S. to Japan

Source: Baltic Exchange (www.balticexchange.com)

Table 17--Ocean freight rates for selected shipments, week ending 07/09/05

Export region	Import region	Grain	Month	Volume loads (metric tons)	Freight rate (\$/metric ton)
U.S. Gulf	Djibouti*	Wheat	Jul 11/22	50,000	77.25
U.S. Gulf	South Korea	Hvy Grain	Jul 11/20	55,000	43.50
U.S. Gulf	Algeria	Hvy Grain	Jun 10/15	25,000	42.50
U.S. Gulf	Egypt	Hvy Grain	Jun 25/27	65,000	27.00
Canada	Indonesia	Wheat	Jul 15/30	65,000	21.00
St. Lawrence	S. Africa	Wheat	Jun 10/20	34,000	42.00
Great Lakes	Algeria	Hvy Grain	Jun 20/30	18,000	57.00

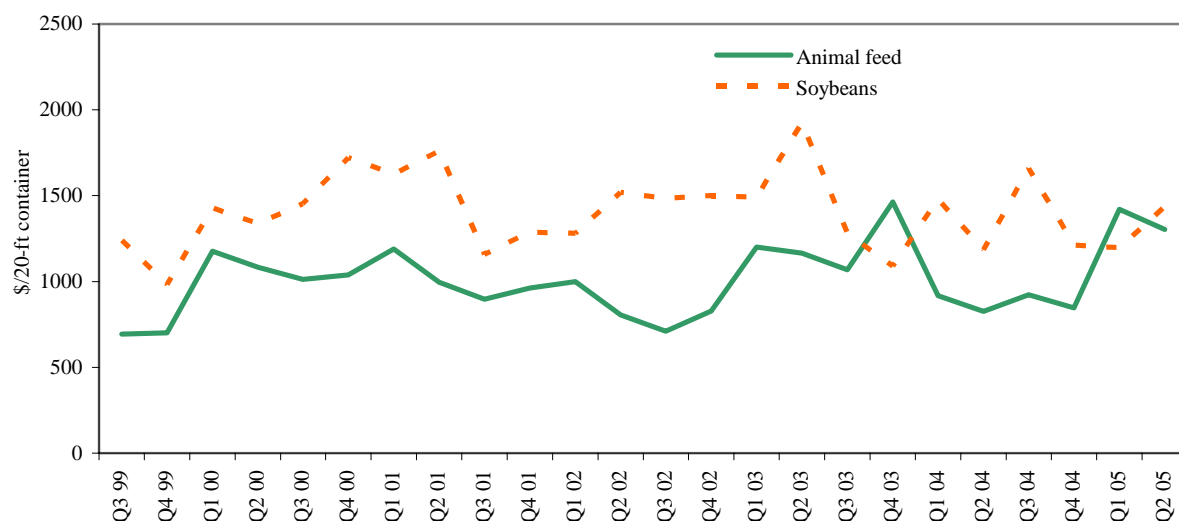
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

Source: Maritime Research Inc. (www.maritime-research.com)

Figure 13

Weighted average rates¹ for containerized shipments of animal feed and soybeans to selected Asian countries



¹ Animal Feed: Busan-Korea (13%), Kaohsiung-Taiwan (41%), Tokyo-Japan (30%), Hong Kong (11%), Bangkok-Thailand (5%) and soybeans: Busan-Korea (1%), Keelung-Taiwan (85%), Tokyo-Japan (11%), Bangkok-Thailand (3%), Hong Kong (1%)

Quarter 2, 2005.

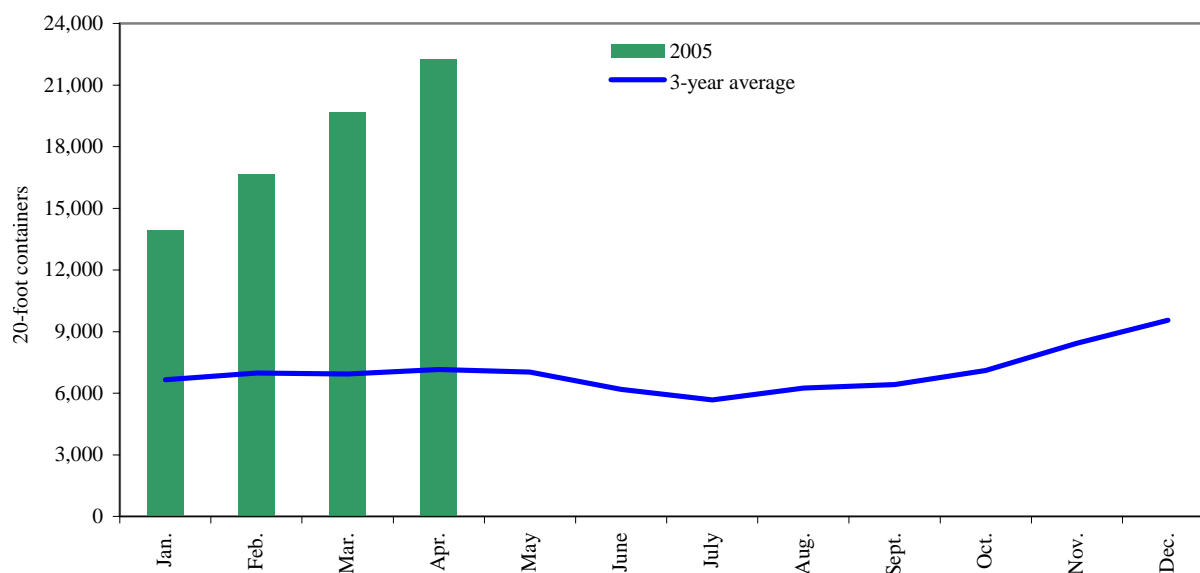
Source: Ocean Rate Bulletin, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2004, containers were used to transport 2 percent of total U.S. grain exported, and 3 percent of total U.S. grain exported to Asia.

Figure 14

Monthly shipments of containerized grain to Asia for 2005 compared with a 3-year average



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

Note: PIERS data is available with a lag of approximately 40 days

Brazil Transportation

Figure 15
Routes and Regions considered in the Brazilian soybean export transportation indicator¹



¹ Regions comprised 84 percent of Brazilian soybean production, 2003
Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Table 18--Truck rates for selected Brazilian soybean export transportation routes, 2nd quarter 2005

Route #	Origin ¹ (reference city)	Destination	Distance (miles) ²	Weight(%) ³	Freight price (per 100 miles) ⁴
1	Northwest RS ⁵ (Cruz Alta)	Rio Grande	288	16.6	4.40
2	North MT(Sorriso)	Santos	1190	10.1	6.80
3	North MT(Sorriso)	Paranaguá	1262	9.5	6.27
4	South GO(Rio Verde)	Santos	587	7.0	6.83
5	South GO(Rio Verde)	Paranaguá	726	5.6	5.29
6	North Center PR(Londrina)	Paranaguá	268	4.4	8.51
7	Western Center PR(Mamborê)	Paranaguá	311	3.9	5.37
8	Triangle MG(Uberaba)	Santos	339	3.8	10.75
9	West PR(Assis Chateaubriand)	Paranaguá	377	3.7	5.16
10	West Extreme BA(São Desidério)	Ilhéus	544	3.6	7.14
11	Southeast MT(Primavera do Leste)	Santos	901	3.6	6.26
12	Southeast MT(Primavera do Leste)	Paranaguá	975	3.3	5.63
13	Southwest MS(Maracaju)	Paranaguá	612	3.1	6.07
14	Southwest MS(Maracaju)	Santos	652	2.9	6.31
15	West PR(Assis Chateaubriand)	Santos	550	2.5	5.68
16	Western Center RS(Tupanciretã)	Rio Grande	273	2.4	5.49
17	Southwest PR(Chopinzinho)	Paranaguá	291	2.3	5.73
18	Eastern Center PR(Castro)	Paranaguá	130	2.3	10.77
19	South Center PR(Guarapuava)	Paranaguá	204	2.1	7.95
20	North Center MS(São Gabriel do Oeste)	Santos	720	2.0	5.60
21	Ribeirão Preto SP(Guairá)	Santos	314	1.5	7.59
22	Northeast MT(Canarana)	Santos	950	1.4	7.26
23	Assis SP(Palmital)	Santos	285	1.2	7.74
24	Northeast MT(Canarana)	Paranaguá	1075	1.2	6.34
Average			626	100	6.33

¹Although each origin region comprises several cities, the main city is considered as a reference to establish the freight price

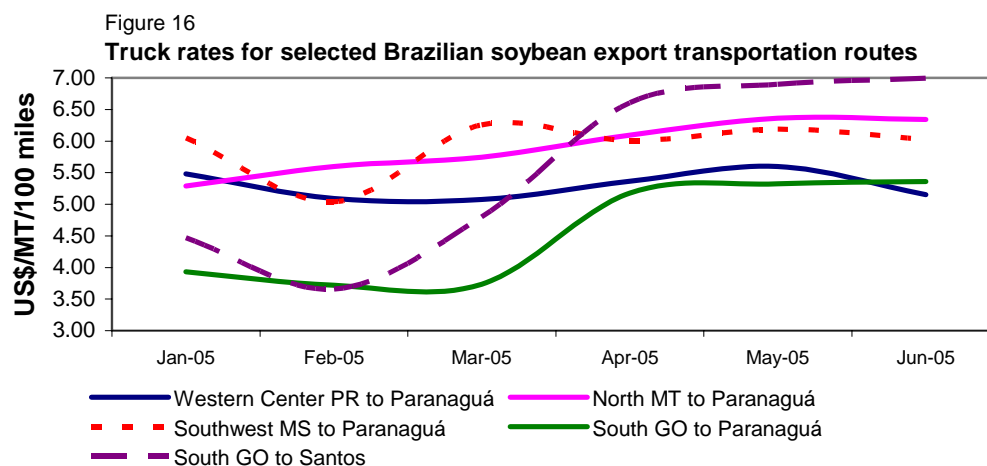
²Distance from the main city of the considered region to the mentioned ports

³The weight is directly proportional to the amount of production in each region

⁴US\$ per metric ton (average monthly exchange rate from "Banco Central do Brasil" was used to convert Brazilian reais to the U.S. dollar)

⁵RS = Rio Grande Do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná, MG = Minas Gerais, BA = Bahia, MS = Mato Grosso Do Sul, SP = São Paulo

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS



Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

Table 19--Monthly Brazilian soybean export truck transportation cost index

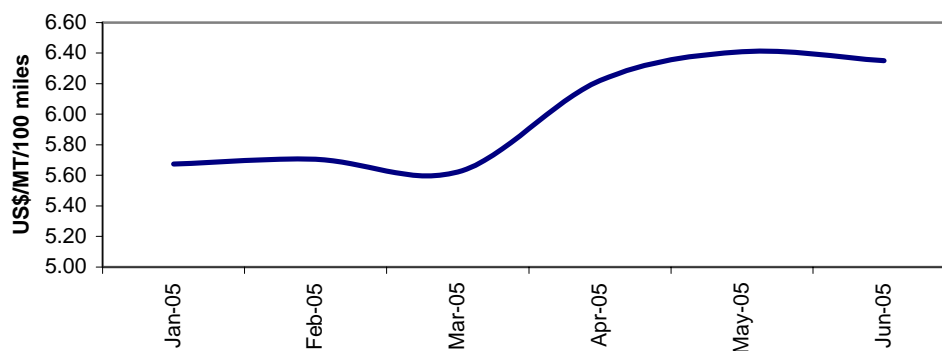
Month	Freight price* (per 100 miles)	Index variation (%) (Base: prior month)	Index value (Base: Jan. 05 = 100)
Jan. 05	5.67		100.00
Feb. 05	5.71	0.5	100.54
Mar. 05	5.62	-1.5	99.08
Apr. 05	6.22	10.6	109.61
May 05	6.41	3.1	112.96
Jun. 05	6.35	-0.9	111.90

*weighted average and quoted in US\$ per metric ton

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Figure 17

Brazilian soybean export truck transportation weighted average prices, 2005



Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Table 20--Quarterly ocean freight rates for shipping soybeans from selected Brazilian ports to Hamburg, Germany (US\$/metric ton)*

Ports	2005 1st qtr	2005 2nd qtr
Santos	\$45.53	\$45.84
Paranagua	\$44.64	\$60.74
Rio Grande	\$44.20	\$44.39

*correspond to the average actual values negotiated between shippers and carriers and weighted according to the magnitude of the shipped volumes

Source: Sistema de Informações de Fretes, SIFRECA, ESALQ/USP (University of São Paulo, Brazil)

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Related Websites

<i>Agricultural Container Indicators</i>	http://www.ams.usda.gov/tmd2/agci/
<i>Ocean Rate Bulletin</i>	http://www.ams.usda.gov/tmd/Ocean/index.asp

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